

# Senate Amendment 3208

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1 1 Amend Senate File 464 as follows:  
1 2 #1. By striking everything after the enacting  
1 3 clause and inserting the following:  
1 4 <DIVISION I  
1 5 BIODIESEL FUEL STANDARD  
1 6 Section 1. FINDINGS AND PURPOSE OF THE ACT ==  
1 7 SUSTAINABLE BIODIESEL INITIATIVE.  
1 8 1. The general assembly finds and declares that  
1 9 access to affordable energy has become essential to  
1 10 the functioning of modern economies. However, the  
1 11 uneven distribution of energy supplies among countries  
1 12 and the critical need for energy has created  
1 13 significant vulnerabilities to this nation. Threats  
1 14 to national energy security include the political  
1 15 instability of several energy producing countries, the  
1 16 manipulation of energy supplies, the competition over  
1 17 energy sources, and attacks upon energy supply  
1 18 infrastructure.  
1 19 2. The purpose of this Act is to accomplish the  
1 20 vital goals of promoting sustainable biodiesel that  
1 21 will demonstrate environmental stewardship across its  
1 22 life cycle by maximizing a net energy balance,  
1 23 minimizing negative impacts on natural ecosystems,  
1 24 both globally and locally, and adding value to Iowa  
1 25 commodities; creating wealth; and enhancing the entire  
1 26 community of energy stakeholders.  
1 27 Sec. 2. Section 15G.201A, Code 2009, is amended to  
1 28 read as follows:  
1 29 15G.201A ~~CLASSIFICATION~~ DESIGNATION OF RENEWABLE  
1 30 FUEL.  
1 31 For purposes of this ~~division subchapter~~, ethanol  
1 32 blended fuel and biodiesel fuel shall be ~~classified~~  
1 33 designated in the same manner as provided in section  
1 34 214A.2.  
1 35 Sec. 3. Section 15G.203, subsection 1, paragraph  
1 36 a, subparagraph (1), subparagraph division (b), Code  
1 37 2009, is amended to read as follows:  
1 38 (b) ~~Store, blend, Blend~~ and dispense motor fuel  
1 39 from a motor fuel blender pump, as required in this  
1 40 subparagraph ~~subdivision~~ division. The ethanol  
1 41 infrastructure must provide for the storage of ethanol  
1 42 or ethanol blended gasoline, or for blending ethanol  
1 43 with gasoline. The ethanol infrastructure must at  
1 44 least include a motor fuel blender pump which  
1 45 dispenses different ~~classifications~~ designations of  
1 46 ethanol blended gasoline and allows E=85 gasoline to  
1 47 be dispensed at all times that the blender pump is  
1 48 operating.  
1 49 Sec. 4. Section 15G.203, subsection 1, paragraph  
1 50 a, subparagraph (2), Code 2009, is amended to read as  
2 1 follows:  
2 2 (2) Biodiesel infrastructure shall be designed and  
2 3 used exclusively to do any of the following:  
2 4 (a) Store and dispense biodiesel ~~or biodiesel~~  
2 5 ~~blended~~ fuel designated as B=6 or higher.  
2 6 (b) Blend or dispense biodiesel fuel from a motor  
2 7 fuel blender pump which dispenses different  
2 8 designations of biodiesel fuel and allows biodiesel  
2 9 fuel designated B=6 or higher to be dispensed at all  
2 10 times that the blender pump is operating.  
2 11 Sec. 5. Section 15G.204, subsection 3, paragraph  
2 12 a, subparagraph (1), Code 2009, is amended to read as  
2 13 follows:  
2 14 (1) For improvements to store, blend, or dispense  
2 15 biodiesel fuel from ~~B=2~~ B=5 or higher but not as high  
2 16 as B=99, fifty percent of the actual cost of making  
2 17 the improvements or fifty thousand dollars, whichever  
2 18 is less.  
2 19 Sec. 6. Section 214A.2, subsection 4, paragraph b,  
2 20 subparagraph (2), Code 2009, is amended by striking  
2 21 the subparagraph.  
2 22 Sec. 7. NEW SECTION. 214A.2C STANDARD FOR DIESEL  
2 23 FUEL == BIODIESEL REQUIRED.  
2 24 1. A retail dealer shall not advertise for sale or

2 25 sell diesel fuel in this state, unless it is biodiesel  
2 26 fuel designated as B=5 or higher as specified in  
2 27 section 214A.2.  
2 28 2. Subsection 1 does not apply to diesel fuel used  
2 29 to power any of the following:  
2 30 a. (1) A motor located at an electric generating  
2 31 plant regulated by the United States nuclear  
2 32 regulatory commission.  
2 33 (2) This paragraph "a" is repealed thirty days  
2 34 after the United States nuclear regulatory commission  
2 35 approves the use of biodiesel fuel designated as B=5  
2 36 or higher in motors located at electric generating  
2 37 plants that it regulates.  
2 38 b. A railroad locomotive.  
2 39 c. A vehicle used exclusively as an airport  
2 40 landing field.  
2 41 d. A motor used to temporarily generate power due  
2 42 to a disruption in the delivery of electricity or  
2 43 natural gas until the delivery of the electricity or  
2 44 natural gas may be resumed.  
2 45 3. Subsection 1 does not apply during a period  
2 46 that the governor issues a biodiesel suspension order.  
2 47 a. The biodiesel suspension order must include a  
2 48 determination by the governor that any of the  
2 49 following exists:  
2 50 (1) A lack of infrastructure in this state  
3 1 necessary to support the retail sale of biodiesel fuel  
3 2 designated as B=5.  
3 3 (2) A significant shortage of biodiesel fuel  
3 4 designated as B=5 in this state available for retail  
3 5 sale in this state.  
3 6 (3) A systemic market change in the supplies or  
3 7 prices of biodiesel fuel designated B=5 will cause a  
3 8 material economic hardship to the state.  
3 9 b. The biodiesel suspension order may reduce the  
3 10 biodiesel fuel designation provided in subsection 1  
3 11 during the period of the suspension. The biodiesel  
3 12 suspension order may apply to the entire state or to  
3 13 specific counties named in the biodiesel suspension  
3 14 order.  
3 15 c. The biodiesel suspension order shall take  
3 16 effect when published in the Iowa administrative  
3 17 bulletin unless the biodiesel suspension order  
3 18 specifies a later date. The biodiesel suspension  
3 19 order shall terminate on a date certain as specified  
3 20 in the biodiesel suspension order.  
3 21 Sec. 8. EMERGENCY RULES. The department of  
3 22 agriculture and land stewardship shall adopt emergency  
3 23 rules under section 17A.4, subsection 3, and section  
3 24 17A.5, subsection 2, paragraph "b", to implement the  
3 25 provisions of section 214A.2C, as enacted in this Act,  
3 26 and the rules shall be effective September 1, 2009.  
3 27 Any rules adopted in accordance with this section  
3 28 shall also be published as a notice of intended action  
3 29 as provided in section 17A.4.  
3 30 Sec. 9. EFFECTIVE DATE. This division of this Act  
3 31 takes effect on September 1, 2009, except for the  
3 32 provisions authorizing the department of agriculture  
3 33 and land stewardship to adopt emergency rules and to  
3 34 publish a notice of intended action to implement the  
3 35 provisions of section 214A.2C, as enacted in this Act,  
3 36 which, being deemed of immediate importance, take  
3 37 effect upon enactment.  
3 38 DIVISION II  
3 39 BIOFUEL DESIGNATIONS AND LABELING == PENALTY  
3 40 Sec. 10. Section 214A.2, subsection 5, Code 2009,  
3 41 is amended to read as follows:  
3 42 5. Ethanol blended gasoline shall be designated  
3 43 E=xx where "xx" is the volume percent of ethanol in  
3 44 the ethanol blended gasoline and biodiesel fuel shall  
3 45 be designated B=xx where "xx" is the volume percent of  
3 46 biodiesel.  
3 47 Sec. 11. Section 214A.3, subsection 2, paragraph  
3 48 b, subparagraph (2), Code 2009, is amended to read as  
3 49 follows:  
3 50 (2) ~~Biodiesel fuel shall be designated according~~  
~~4 1 to its classification as provided in section 214A.2.~~  
4 2 A person shall not knowingly falsely advertise  
4 3 biodiesel ~~blended~~ fuel by using an inaccurate  
4 4 designation in violation of this subparagraph as  
4 5 provided in section 214A.2.

4 6 Sec. 12. Section 214A.5, Code 2009, is amended to  
4 7 read as follows:

4 8 214A.5 ~~SALES SLIP ON DEMAND DOCUMENTATION.~~

4 9 1. A wholesale dealer or retail dealer shall, when  
4 10 making a sale of motor fuel, give to a purchaser upon  
4 11 demand a sales slip.

4 12 2. A wholesale dealer selling ethanol blended  
4 13 gasoline or biodiesel blended fuel to a purchaser  
4 14 shall provide the purchaser with a statement  
4 15 indicating its designation as provided in section  
4 16 214A.2. The statement may be on the sales slip  
4 17 provided in this section or a similar document,  
4 18 including but not limited to a bill of lading or  
4 19 invoice.

4 20 Sec. 13. Section 214A.11, subsection 1, Code 2009,  
4 21 is amended to read as follows:

4 22 1. Except as provided in subsection 2, a person  
4 23 who violates a provision of this chapter is guilty of  
4 24 a ~~serious~~ simple misdemeanor. Each day that a  
4 25 continuing violation occurs shall be considered a  
4 26 separate offense.

4 27 Sec. 14. Section 214A.16, subsection 1, Code 2009,  
4 28 is amended to read as follows:

4 29 1. ~~a. If motor fuel containing a renewable fuel~~  
4 30 ethanol blended gasoline is sold from a motor fuel  
4 31 pump, the motor fuel pump shall have affixed a decal  
4 32 identifying the name of the renewable fuel ethanol  
4 33 blended gasoline. The decal shall be different based  
4 34 on the type of renewable fuel dispensed. If the motor  
4 35 fuel pump dispenses ethanol blended gasoline  
4 36 classified as higher than standard ethanol blended  
4 37 gasoline pursuant to section 214A.2, the decal shall  
4 38 contain the following notice: "FOR FLEXIBLE FUEL  
4 39 VEHICLES ONLY".

4 40 ~~b. If biodiesel fuel is sold from a motor fuel~~  
4 41 pump, the motor fuel pump shall have affixed a decal  
4 42 identifying the biodiesel fuel as provided in 16  
4 43 C.F.R. pt. 306.

4 44 Sec. 15. Section 452A.12, subsection 2, Code 2009,  
4 45 is amended to read as follows:

4 46 2. A person while transporting motor fuel or  
4 47 undyed special fuel from a refinery or marine or  
4 48 pipeline terminal in this state or from a point  
4 49 outside this state over the highways of this state in  
4 50 service other than that under subsection 1 shall carry  
5 1 in the vehicle a loading invoice showing the name and  
5 2 address of the seller or consignor, the date and place  
5 3 of loading, and the kind and quantity of motor fuel or  
5 4 special fuel loaded, together with invoices showing  
5 5 the kind and quantity of each delivery and the name  
5 6 and address of each purchaser or consignee. An  
5 7 invoice carried pursuant to this subsection for  
5 8 ethanol blended gasoline or biodiesel blended fuel  
5 9 shall state its designation as provided in section  
5 10 214A.2.

5 11 DIVISION III

5 12 BIOFUEL TAX CREDITS == REPORTING

5 13 Sec. 16. Section 422.11N, subsection 4, paragraph  
5 14 a, Code 2009, is amended to read as follows:

5 15 a. The retail dealer's adjusted biofuel  
5 16 distribution percentage which is the sum of the retail  
5 17 dealer's total ethanol gallonage plus the retail  
5 18 dealer's total biodiesel gallonage expressed as a  
5 19 percentage of the retail dealer's total gasoline  
5 20 gallonage, calculated pursuant to section 452A.31,  
5 21 subsection 3A, in the retail dealer's applicable  
5 22 determination period.

5 23 Sec. 17. Section 422.11N, subsection 4, paragraph  
5 24 c, Code 2009, is amended to read as follows:

5 25 c. The retail dealer's biofuel threshold  
5 26 percentage disparity which is a positive percentage  
5 27 difference obtained by taking the minuend which is the  
5 28 retail dealer's biofuel threshold percentage and  
5 29 subtracting from it the subtrahend which is the retail  
5 30 dealer's adjusted biofuel distribution percentage, in  
5 31 the retail dealer's applicable determination period.

5 32 Sec. 18. Section 422.11P, subsections 1 through 3,  
5 33 Code 2009, are amended to read as follows:

5 34 1. As used in this section, unless the context  
5 35 otherwise requires:

5 36 a. "Biodiesel ~~blended~~ fuel", "diesel fuel", and

5 37 "retail dealer" mean the same as defined in section  
5 38 214A.1.  
5 39 b. "Motor fuel pump" means the same as defined in  
5 40 section 214.1.  
5 41 c. "Sell" means to sell on a retail basis.  
5 42 d. "Tax credit" means a biodiesel ~~blended~~ fuel  
5 43 promotion tax credit as provided in this section.  
5 44 2. The taxes imposed under this division, less the  
5 45 credits allowed under section 422.12, shall be reduced  
5 46 by the amount of the biodiesel ~~blended~~ fuel promotion  
5 47 tax credit for each tax year that the taxpayer is  
5 48 eligible to claim a tax credit under this subsection.  
5 49 a. In order to be eligible, all of the following  
5 50 must apply:  
6 1 (1) The taxpayer is a retail dealer who sells and  
6 2 dispenses biodiesel ~~blended~~ fuel through a motor fuel  
6 3 pump located at a motor fuel site operated by the  
6 4 retail dealer in this state in the tax year in which  
6 5 the tax credit is claimed.  
6 6 (2) ~~Of the total gallons of diesel fuel that the~~  
~~6 7 retail dealer sells and dispenses through all motor~~  
~~6 8 fuel pumps located at a motor fuel site operated by~~  
~~6 9 the retail dealer during the retail dealer's tax year,~~  
~~6 10 fifty percent or more is biodiesel blended fuel which~~  
~~6 11 meets the requirements of this section.~~  
6 12 (3) The retail dealer complies with requirements  
6 13 of the department established to administer this  
6 14 section.  
6 15 b. ~~The tax credit shall apply to biodiesel blended~~  
6 16 ~~fuel formulated with a minimum percentage of two~~  
~~6 17 percent by volume of biodiesel, if the formulation~~  
~~6 18 meets the standards provided in section 214A.2 must~~  
6 19 meet the standards for biodiesel fuel provided in  
6 20 section 214A.2.  
6 21 3. a. ~~The tax credit shall be calculated~~  
~~6 22 separately for each retail motor fuel site operated by~~  
~~6 23 the retail dealer.~~  
6 24 b. ~~The amount of the tax credit is three cents~~  
6 25 ~~multiplied by the total number of gallons of biodiesel~~  
6 26 ~~blended fuel designated as B=10 or higher as provided~~  
6 27 ~~in section 214A.2 sold and dispensed by the retail~~  
6 28 ~~dealer through all motor fuel pumps located at a~~  
6 29 ~~retail motor fuel site operated by the retail dealer~~  
6 30 ~~in this state during the retail dealer's tax year.~~  
6 31 Sec. 19. Section 422.33, subsection 11C, Code  
6 32 2009, is amended to read as follows:  
6 33 11C. The taxes imposed under this division shall  
6 34 be reduced by a biodiesel ~~blended~~ fuel promotion tax  
6 35 credit for each tax year that the taxpayer is eligible  
6 36 to claim the tax credit under this subsection.  
6 37 a. The taxpayer may claim the biodiesel ~~blended~~  
6 38 fuel promotion tax credit according to the same  
6 39 requirements, for the same amount, and calculated in  
6 40 the same manner, as provided for the biodiesel ~~blended~~  
6 41 fuel promotion tax credit pursuant to section 422.11P.  
6 42 b. Any biodiesel ~~blended~~ fuel promotion tax credit  
6 43 which is in excess of the taxpayer's tax liability  
6 44 shall be refunded or may be shown on the taxpayer's  
6 45 final, completed return credited to the tax liability  
6 46 for the following tax year in the same manner as  
6 47 provided in section 422.11P.  
6 48 c. ~~The tax credit shall be calculated separately~~  
~~6 49 for each retail motor fuel site operated by the~~  
~~6 50 taxpayer in the same manner as provided in section~~  
~~7 1 422.11P.~~  
7 2 d. This subsection is repealed on January 1, 2012.  
7 3 Sec. 20. Section 452A.31, subsection 3, paragraph  
7 4 b, Code 2009, is amended to read as follows:  
7 5 b. A retail dealer's total biodiesel gallonage is  
7 6 the total number of gallons of biodiesel which may or  
7 7 may not be a component of biodiesel blended fuel, and  
7 8 which the retail dealer sells and dispenses from motor  
7 9 fuel pumps as provided in paragraph "a" during a  
7 10 twelve-month period beginning January 1 and ending  
7 11 December 31. The retail dealer's total biodiesel  
7 12 gallonage is divided into the following  
7 13 classifications:  
7 14 (1) The total standard biodiesel gallonage which  
7 15 is the aggregate biodiesel gallonage that is a  
7 16 component of biodiesel blended fuel designated B=5 or  
7 17 less.

7 18 (2) The total above standard biodiesel gallonage  
7 19 which is the total biodiesel gallonage that is any of  
7 20 the following:  
7 21 (a) A component of biodiesel blended fuel  
7 22 designated B=6 or higher.  
7 23 (b) B=100.  
7 24 Sec. 21. Section 452A.31, Code 2009, is amended by  
7 25 adding the following new subsection:  
7 26 NEW SUBSECTION. 3A. a. The retail dealer's  
7 27 biofuel distribution percentage which is the sum of  
7 28 the retail dealer's total ethanol gallonage plus the  
7 29 retail dealer's total biodiesel gallonage expressed as  
7 30 a percentage of the retail dealer's total gasoline  
7 31 gallonage during a twelve-month period beginning  
7 32 January 1 and ending December 31.  
7 33 b. The retail dealer's adjusted biofuel  
7 34 distribution percentage which is the sum of the retail  
7 35 dealer's total ethanol gallonage plus the retail  
7 36 dealer's total above standard biodiesel gallonage  
7 37 expressed as a percentage of the retail dealer's total  
7 38 gasoline gallonage during a twelve-month period  
7 39 beginning January 1 and ending December 31.  
7 40 Sec. 22. TAX CREDIT APPLICABILITY.  
7 41 1. A taxpayer who is a retail dealer selling or  
7 42 dispensing ethanol blended gasoline prior to the  
7 43 effective date of this division of this Act may claim  
7 44 the ethanol promotion tax credit on ethanol blended  
7 45 gasoline by calculating the retail dealer's biofuel  
7 46 distribution percentage pursuant to section 422.11N  
7 47 and section 422.33, subsection 11A, Code 2009. The  
7 48 taxpayer selling or dispensing ethanol blended  
7 49 gasoline on or after the effective date of this  
7 50 division of this Act shall only claim the tax credit  
8 1 by calculating the retail dealer's adjusted biofuel  
8 2 distribution percentage pursuant to section 422.11N  
8 3 and section 422.33, subsection 11A, as provided in  
8 4 this division of this Act.  
8 5 2. A taxpayer who is a retail dealer selling or  
8 6 dispensing biodiesel blended fuel prior to the  
8 7 effective date of this division of this Act may claim  
8 8 the biodiesel blended fuel tax credit on biodiesel  
8 9 blended fuel formulated with a minimum percentage of  
8 10 two percent by volume of biodiesel pursuant to section  
8 11 422.11P and section 422.33, subsection 11C, Code 2009.  
8 12 The taxpayer selling or dispensing biodiesel blended  
8 13 fuel on or after the effective date of this division  
8 14 of this Act shall only claim the tax credit as a  
8 15 biodiesel fuel promotion tax credit pursuant to  
8 16 section 422.11P and section 422.33, subsection 11C, as  
8 17 provided in this division of this Act.  
8 18 Sec. 23. 2006 Iowa Acts, chapter 1142, section 49,  
8 19 subsection 5, is amended to read as follows:  
8 20 5. For a retail dealer who may claim a biodiesel  
8 21 ~~blended fuel promotion~~ tax credit under section  
8 22 422.11P or 422.33, subsection 11C, as enacted in ~~this~~  
8 23 ~~Act 2006 Iowa Acts, chapter 1142, sections 41 and 47,~~  
8 24 ~~and amended in this 2009 Iowa Act,~~ in calendar year  
8 25 2011 and whose tax year ends prior to December 31,  
8 26 2011, the retail dealer may continue to claim the tax  
8 27 credit in the retail dealer's following tax year. In  
8 28 that case, the tax credit shall be calculated in the  
8 29 same manner as provided in section 422.11P or 422.33,  
8 30 subsection 11C, as enacted in ~~this Act 2006 Iowa Acts,~~  
8 31 ~~chapter 1142, sections 41 and 47, and amended in this~~  
8 32 ~~2009 Iowa Act,~~ for the remaining period beginning on  
8 33 the first day of the retail dealer's new tax year  
8 34 until December 31, 2011. For that remaining period,  
8 35 the tax credit shall be calculated in the same manner  
8 36 as a retail dealer whose tax year began on the  
8 37 previous January 1 and who is calculating the tax  
8 38 credit on December 31, 2011.  
8 39 Sec. 24. EFFECTIVE DATE. This division of this  
8 40 Act takes effect September 1, 2009.>  
8 41 #2. Title page, by striking lines 1 and 2 and  
8 42 inserting the following: <An Act relating to motor  
8 43 fuel, by providing for a biodiesel quality standard  
8 44 for energy security and sustainability, ethanol  
8 45 blended gasoline and biodiesel blended fuel  
8 46 designations and tax credits, penalties, and effective  
8 47 dates.>  
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